HONOR CODE PLEDGE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**BASIC ECONOMIC DECISIONS**

*Read pages 358 – 361 and answer all of the questions below regarding the passage.*

1. What are the three questions which describe the most basic decisions which are made in an economy? (p. 358)

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2. Who decides what will be produced in a capitalist economy like our own? What will determine the quantity, or amount, of a product which is produced in an economy? (p. 359)

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3. **COMPLETE THIS STATEMENT**: When making decisions about how to produce goods, people will usually choose – (p. 359)

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4. Define the term ***technology*** (p. 360) - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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5. Over the long run, how does the use of technology influence the cost of producing goods? (p. 360)

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6 List at least three (3) other ways that technological change influences global markets and productivity. (p. 360)

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7. How do societies who wish to promote equality among their people divide the products created in the economy? How do societies which value freedom – instead of equality – divide goods? (p. 361)

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